

APPENDIX

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EIA PREPARED BY LEYSHON  
CONSULTING

# ECONOMIC IMPACT ASSESSMENT

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## PROPOSED DEVELOPMENT DRY DOCK ROAD, TWEED HEADS SOUTH

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# EXECUTIVE SUMMARY

## Introduction

This report has been prepared by Leyshon Consulting Pty Ltd for Mormatsal Investments Pty Ltd (Mormatsal). The Report analyses the need for, and impact of, a general store which will form part of a proposed tourist development at Dry Dock Road, Tweed Heads, New South Wales.

## Context

The subject site is located in Tweed Heads South to the west of the Pacific Highway in an area which contains a mix of traditional residential development, manufactured home parks, caravan parks and tourist facilities.

There are limited existing retail facilities in the area immediately surrounding the subject site.

The adjacent Palms Village contains a small component of commercial space fronting Dry Dock Road. This includes a coffee shop/takeaway outlet, a small convenience store, hairdresser and a liquor store.

Development at Palms Village comprises an estimated total area of 410m<sup>2</sup> of which the convenience store comprises some 160m<sup>2</sup>. These facilities appear principally to service the needs of Palms Village residents but are also likely to be patronised by residents of the area in general.

The nearest supermarkets to the subject site are the Coles supermarket located at Banora Central and the Bi-Lo supermarket in the Banora Shopping Village centre.

## Trade Area Analysis

The trade area consists of the primary trade area (PTA) and two secondary trade areas (STAs). The STA East lies to the east of the Pacific Highway while the STA South lies to the south of the PTA. The PTA and the two STAs combined are hereafter referred to as the proposed development's Main Trade Area (MTA).

At the 2011 Census, the resident population of the MTA numbered 3,917 persons distributed as follows:

▶	PTA	...	1,571
▶	STA East	...	1,286
▶	STA South	...	1,060
▶	MTA Total	...	3,917.

# EXECUTIVE SUMMARY

## Trade Area Analysis (Cont'd)

The demography of the MTA indicates that, as a whole, residents are likely to have below-average retail spending levels compared with residents of non-metropolitan New South Wales.

The MTA's older age structure, that some 57% of residents are not in the workforce, and the below-average levels of car ownership all point undeniably to a relatively strong demand for local retail services of a convenience nature: that is, services which do not involve residents having to travel to larger, more distant shopping centres to purchase basic food and household grocery items.

In this context, Mormatsal's proposal to significantly improve local convenience store facilities—as will occur if the proposed development is approved—is highly consistent with meeting the needs of the resident population. Consequently, if approved, the development will provide a significant social benefit to members of the local community.

## Needs Analysis

Total available annual retail spending generated in the MTA in 2013 is estimated at some \$34.8 million per annum (\$2013).

The volume of available supermarket-type spending is directly relevant to the proposed provision of a small general store on the subject site. In this regard, between 2013-21 total available annual supermarket-type spending generated in the MTA is estimated to grow (\$2013) as follows:

- ▶ 2013 ...\$11.1 million
- ▶ 2016 ...\$11.7
- ▶ 2021 ...\$12.9.

The net increase in estimated annual available supermarket-type spending in the MTA between 2013-21 therefore will be +\$1.8 million (\$2013).

## Supermarket-Type Floorspace Demand

In 2013 available supermarket-type expenditure generated by MTA residents could, in theory, support about 1,114m<sup>2</sup> to 1,392m<sup>2</sup> of supermarket-type floorspace. This increases to 1,171m<sup>2</sup> to 1,464m<sup>2</sup> by 2016 and 1,286m<sup>2</sup> to 1,607m<sup>2</sup> by 2031.

If the proposed development of a general store of 460m<sup>2</sup> were to be approved, the total potential supermarket-type (including general store) floorspace supply in the MTA by

# EXECUTIVE SUMMARY

## Needs Analysis (Cont'd)

2016 would be approximately 620m<sup>2</sup>. This total supply would sit comfortably within the estimate of supermarket-type floorspace demand of 585m<sup>2</sup> to 732m<sup>2</sup> in 2016.

It is reasonable to conclude, therefore, that sufficient supermarket-type expenditure will be available in the MTA in 2016 to support development of the proposed general store on the subject site as well as the existing convenience store on the adjoining site.

## Economic Impact

Up to 30% of proposed general store's sales could be derived from spending by shoppers who reside outside the MTA. This means the store's sales originating from MTA-generated spending would be in the order of \$2.4 to \$2.9 million per annum in 2016 (\$2013).

On this basis, the proposed general store is likely to capture between only 20.5% to 24.5% of available supermarket spending in the MTA in 2016—namely \$11.7 million per annum. In reality this means the majority (about 75% to 80%) of available supermarket-type spending generated by MTA residents will continue to flow to other supermarkets/convenience stores within and adjacent to the MTA.

The proposed development's impacts in 2016 are estimated as being likely to range between -0.3% and -3.2%. The largest impact is likely to be experienced by the Banora Central supermarket given its proximity to the trade area and hence its greater convenience for supermarket shopping compared with Tweed City and the more distant Banora Shopping Village.

The projected impacts are not significant in nature. It is generally accepted within Australia that impacts of less than -5.0% fall into the "very low" impact category. As such they will not threaten the viability of any shopping centre or the major traders they contain.

Even if the existing convenience store were to close as a result of competition from the proposed general store it is our opinion MTA residents would remain better off. The primary reason for this being that the proposed general store is likely to carry a much wider range of stock than does the existing convenience store and may well offer more competitive prices.

In summary, in the worst case, the loss of the existing convenience store would be more than offset by the development of a new general store as is being proposed.



# EXECUTIVE SUMMARY

## Policy Implications

The proposed development of a general store on the subject site does not raise conflicts with the Tweed Shire Retail Strategy.

Given the very low impacts of the proposed development, it will not effect the character of existing towns and villages nor will it pose a threat to the major Tweed Heads South Centre.

## Conclusions

Based on the analysis presented in this Report, we conclude that:

- ★ the proposed general store will provide improved convenience retail services to residents of the local surrounding area as well as to tourists and patrons of the on-site tourist/entertainment facilities;
- ★ there is sufficient demand within the MTA to support both the proposed general store and the existing convenience store in the adjacent Palms Village;
- ★ the impacts of the proposed development on existing centres will be in the very low category of impact and thus will not pose any threat to the viability of these centres;
- ★ even if—as a result of competition from the proposed development—the existing convenience store in the adjacent Palms Village development were to cease trading (an outcome considered most unlikely), residents of the MTA would be substantially better off in terms of their access to basic supermarket-type facilities.

Accordingly we conclude the proposed development has acceptable and positive economic and social effects for the locality surrounding the subject site



# 1

# INTRODUCTION

## 1.1 Background

This report has been prepared by Leyshon Consulting Pty Ltd for Mormatsal Investments Pty Ltd (Mormatsal). The Report analyses the need for, and impact of, a general store which will form part of a proposed tourist development at Dry Dock Road, Tweed Heads, New South Wales.

Mormatsal is associated with the Taphouse Group which operates a number of venues in the Tweed Heads region including:

- ▶ Coolangatta Sands Hotel
- ▶ Kingscliff Beach Hotel
- ▶ Chinderah Tavern
- ▶ Babalou Restaurant
- ▶ Taphouse Cellars, Kingscliff.

We understand Mormatsal propose to redevelop the former Tweed Heads Aquatic Club. The proposed redevelopment will include the following elements:

- ▶ tavern
- ▶ bottle shop
- ▶ two cafés
- ▶ two restaurants
- ▶ alfresco dining area
- ▶ playgrounds (indoor and outdoor)
- ▶ pontoon.

Capacity for additional tourist and recreational facilities is available on site. We understand that 271 tourist accommodation units have been approved on the subject site.

Separate to the proposed tourist facility, Mormatsal have applied to include a general store in the proposed redevelopment to complement the on-site tourist facilities.

The proposed tourist facilities will operate as a family-oriented tavern/hotel similar to those referred to above. We understand these types of tavern/hotel operations are closely integrated with the local community and have become important places for families and people of all age groups to socialise.

We further understand the proposed general store is intended primarily to serve residents of the immediate surrounding area. The proposed store would be regarded as a General Store as defined under Tweed Local Environmental Plan 2000 (Tweed LEP 2000) and thus is also considered to be permissible.

We understand Tweed Shire Council (Council) has requested additional information in relation to the proposed general store in terms of the community's need for such a facility, its impact on existing premises/centres and its consistency with the Tweed Retail Strategy as adopted by Council in November, 2013.

## 1.2 Structure of Report

This Report is structured as follows:

- ▶ Introduction
- ▶ Context

- ▶ Trade Area Analysis
- ▶ Impact Analysis
- ▶ Policy Issues
- ▶ Conclusion.

# 2

## CONTEXT

### 2.1 Surrounding Land Use

The subject site is located in Tweed Heads South to the west of the Pacific Highway in an area which contains a mix of traditional residential development, manufactured home parks, caravan parks and tourist facilities.

Immediately to the east of the subject site is a large development known as The Palms Village. This development principally consists of manufactured homes and is marketed as an over-55s housing development.

Immediately to the west of the subject site is the Colonial Tweed Caravan Park. This Park contains a mix of traditional caravan sites and manufactured homes. Further to the west off of Kirkwood Road is the Tweed Broadwater Village which also contains a significant component of manufactured housing targeting the over 55s age cohort.

In addition, to the south and south-west of the site are pockets of traditional residential housing and the Pacific Coast Christian College. To the south of the site is a large property which operates as a function centre and is known as Pioneer Country.

As discussed later in this Report, there are some significant parcels of vacant land in the area surrounding the subject site which appear to have potential for additional residential development and tourist accommodation.

## 2.2 Existing Retail Facilities

There are limited existing retail facilities in the area immediately surrounding the subject site.

The adjacent Palms Village contains a small component of commercial space fronting Dry Dock Road. This includes a coffee shop/takeaway outlet, a small convenience store, hairdresser and a liquor store. The estimated total area of this development is about 410m<sup>2</sup> of which the convenience store comprises some 160m<sup>2</sup>. These facilities appear principally to service the needs of Palms Village residents but are also likely to be patronised by residents of the area in general.

The nearest supermarkets to the subject site are the Coles supermarket located at Banora Central and the Bi-Lo supermarket in the Banora Shopping Village centre.

Banora Central is located at the corner of Fraser and Leisure Drives about 2.2km to the south of the subject site. The centre contains some 4,200m<sup>2</sup> of retail floorspace in total and is anchored by a Coles supermarket of about 3,200m<sup>2</sup>. The centre appears to have little, or no, capacity for expansion as it is immediately surrounded by high quality residential housing.

Banora Shopping Village is located near the intersection of Leisure and Darlington Drives and is adjacent to the Club Banora complex about 4km to the south-east of the subject site. The centre contains some 4,270m<sup>2</sup> in total and is anchored by a Bi-Lo supermarket of 1,993m<sup>2</sup>.

We understand an application has been made to develop land immediately to the west of the centre to include a Woolworths supermarket of 3,000m<sup>2</sup> plus associated specialty shops. This

application has received Gateway approval. We note that in February 2014, however, an application was made to extend the time for the completion of a relevant Planning Proposal until April, 2015. Consequently, the timing of this project is uncertain.

The most significant retail facilities in the surrounding area are those located to the east of the Pacific Highway—namely Tweed City and in the area surrounding that centre.

Tweed City contains some 44,000m<sup>2</sup> of retail floorspace and is anchored by a Kmart discount department store (DDS) of 7,381m<sup>2</sup>, a Big W DDS of 7,033m<sup>2</sup>, a Woolworths supermarket of 4,527m<sup>2</sup> and a Coles supermarket of 3,708m<sup>2</sup>. The estimated annual turnover of the centre in the year to June 2012 was \$255.2 million (\$2012).

An industrial/employment area lying immediately to the west of Tweed City contains a range of bulky goods-type retail outlets. In addition, an Aldi supermarket operates from a "stand-alone" site fronting Machinery Drive.

## 2.3 Retail Strategy

We understand Council recently has adopted a retail strategy which is of relevance to the subject application.

Following the earlier preparation of a Draft Tweed Retail Strategy by consultants Core Economics we understand Council at its meeting on 16 November, 2013 resolved to adopt the following seven principles as a Retail Strategy for the Tweed Shire namely:

1. The character of existing towns and villages and the retail facilities they already have be protected.
2. Where appropriate, Council will support the incremental expansion of existing retail centres in such a way as not to threaten or fracture those existing centres, rather than building new ones.
3. Reinforce Tweed Heads South as the major district retail centre by encouraging the expansion and when the Shire's population demands that increased range and level of shopping.
4. Maintain and wherever possible enhance the special appeal of the retail centre of Murwillumbah and those village centres of similar style.
5. Limit the scale of new large scale retail centres in the coastal region to a level which caters for the majority of chore- type shopping needs. This concept to reflect the need to reduce fuel consumption and to support sustainability within each centre through discouraging vehicle use and encouraging walking and cycling.
6. Council does not support the establishment of another district retail shopping centre.
7. The retail concepts in these recommendations form the basis of locality plans in the Shire and any retail development applications which are submitted in the interim of these locality plans being prepared and approved by Council be assessed so that the above retail strategies are supported and not compromised.



# 3

## TRADE AREA ANALYSIS

### 3.1 Trade Area Definition

A trade area for the proposed general store has been defined based on a number of factors including:

- ▶ the nature and location of existing retail services
- ▶ the existing road system
- ▶ geographic barriers to movement.

The trade area adopted is that depicted in FIGURE 3.1. The trade area consists of the primary trade area (PTA) and two secondary trade areas (STAs). In relation to the latter, one lies to the east of the Pacific Highway (that is, the STA East) and the other to the south of the PTA (STA South). The PTA and the two STAs combined are hereafter referred to as the proposed development's Main Trade Area (MTA).

The PTA is bounded by the Pacific Highway in the east, Terranora Creek in the north and west and the northern boundary of Pioneer Country in the south.

The STA East includes land bounded by the Pacific Highway in the west, Dry Dock Road/Lloyd Street in the north, Arkinstall Park/Harold Pearce Park in the east and Greenway Drive in the south. We consider residents of this area and patrons of the Billabong Caravan Park—which is located in the STA East—would find the subject site a convenient location for undertaking their basic supermarket shopping.

# Figure 3.1: Banora Trade Area

**Legend**

Banora Rural NSW


- Primary
- Secondary East
- Secondary South

**Site Coordinates**

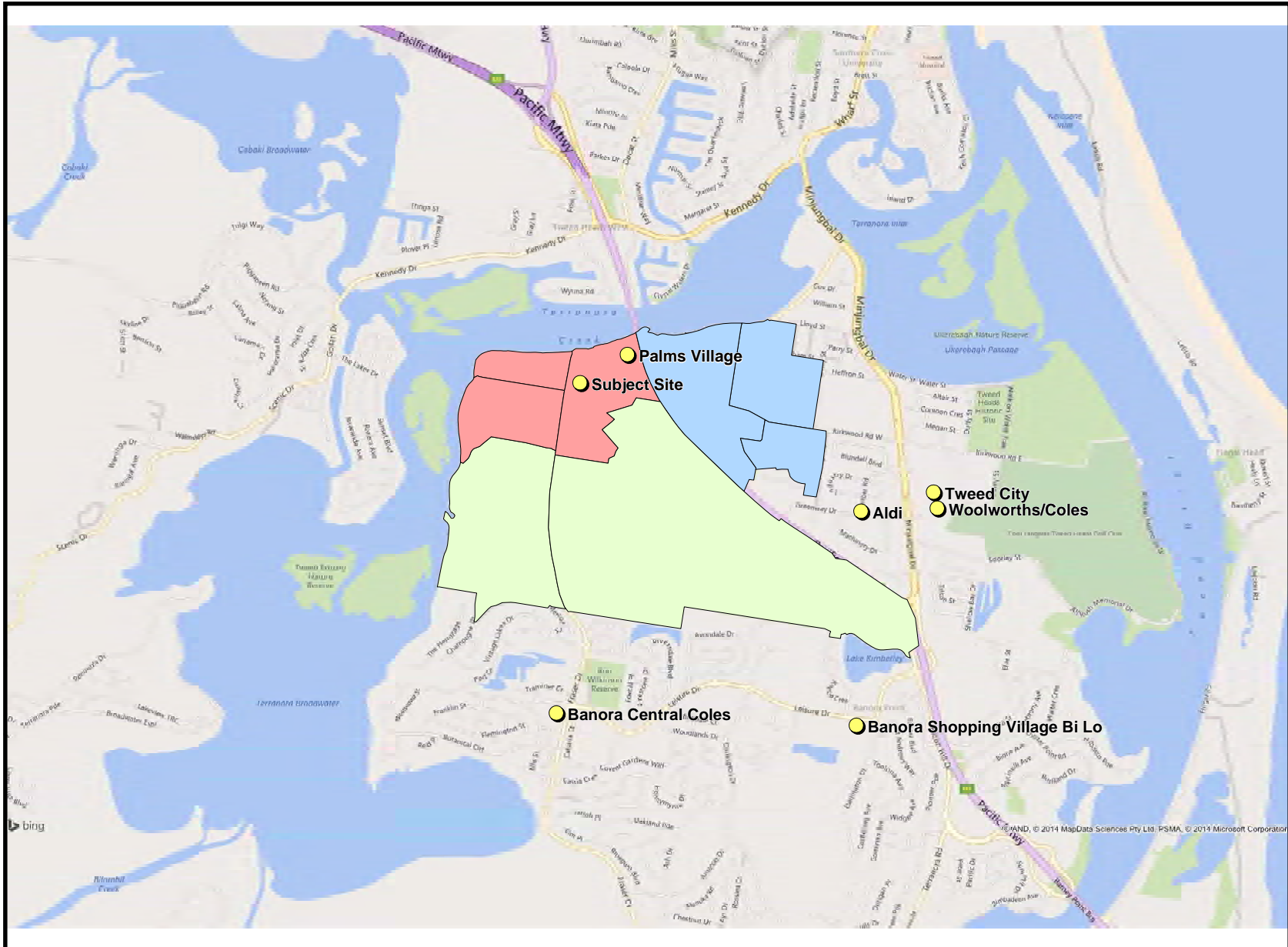
Longitude/X: 153.524206  
 Latitude/Y: -28.193370

N



0      0.6      1.2

Kilometres



**AnySite®**

Data Source:

The STA South has as its northern boundary a line represented by the northern boundary of Pioneer Country running westwards to Terranora Creek. The STA South extends east along the Pacific Highway and includes the Palm Lake Resort Tweed River but excludes those residential areas immediately to the south of Pioneer Country.

In our opinion, the proposed general store will derive the majority of its trade from spending by residents of the MTA and spending by tourists staying in nearby parks. That said, we also consider a significant component of sales will be attracted to the general store from the spending of patrons visiting the proposed hotel on the subject site. It is likely many of these patrons would find it convenient to purchase convenience items from the proposed store while patronising other facilities on the site.

## 3.2 Trade Area Population

At the 2011 Census, the resident population of the MTA numbered some 3,917 persons distributed as follows:

▶	PTA	...	1,571
▶	STA East	...	1,286
▶	STA South	...	1,060
▶	MTA Total	...	3,917.

In addition, 233 visitors from other parts of Australia were counted, most of whom were staying in caravan parks in the PTA and the STA East.

## 3.3 Demography

The demography of the population in any given trade area influences the nature and extent of demand for retail services. In our opinion, the key demographic characteristics which have the greatest influence on retail floorspace demand are:

- ▶ age structure
- ▶ household type
- ▶ occupational structure
- ▶ workforce participation and unemployment
- ▶ household income
- ▶ mobility (that is, vehicle ownership).

The key attributes of the Tweed Heads MTA population at the 2011 Census are set out in TABLE 3.1 and are discussed in detail below.

### 3.1.1 Age Structure

As can be noted from TABLE 3.1, in 2011 the MTA population had a much older age structure than that in non-metropolitan New South Wales. For instance, fully 43.9% the MTA population was aged 60+ years compared with only 24.7% in non-metropolitan New South Wales.

This finding is unsurprising given the nature and extent of housing in the area which is clearly catering for the needs of retirees.

### 3.1.2 Household Structure

Unsurprisingly, given the age profile of the area, the MTA's household structure in 2011 was dominated by lone person households (36.3%) and households consisting of couples without children (33.3%).

Traditional family households—that is, those comprising a couple and dependent children—comprised only 14.2% of all MTA households in 2011.

By contrast, in non-metropolitan New South Wales, lone person households accounted for 29.2% of all households in 2011 while couples without children comprised 28.1% of all households in 2011.

The MTA's average household size in 2011 was 2.08 persons per dwelling compared with 2.43 persons per dwelling in non-metropolitan New South Wales.

### 3.1.3 Workforce

A very low workforce participation rate was evident in the MTA in 2011—only 43% in terms of persons aged 15+ years.

The unemployment rate among those who were in the labour force in 2011 was also above average at 10.7%; this compared with 6.1% in non-metropolitan New South Wales in 2011. Indeed, in the PTA 12.4% of the labour force was unemployed.

### 3.1.4 Occupation

Of those who were employed in 2011 there was an above-average incidence (compared with non-metropolitan New South Wales) of persons employed as sales workers (14.8% versus 9.6%), technician and trade workers (15.4% versus 14.9%) and labourers (14.7% versus 12.1%). In summary, MTA residents who were in the workforce in 2011 were employed in relatively low wage occupations.

### 3.1.5 Household Income

Given the trade area's age, occupational and employment profile it is unsurprising that the average 2011 household income in the MTA was well below that recorded in non-metropolitan New South Wales. As can be noted from TABLE 3.1, the average 2011 household income in the MTA was only \$44,709 per household per annum (\$2011). This was almost -30% below the 2011 non-metropolitan New South Wales average of \$63,552 per household per annum.

The PTA's average household income was particularly low at \$40,074 per household per annum. This was about -37% below the average for non-metropolitan New South Wales in 2011.

### 3.1.6 Mobility

In 2011, MTA residents had a lower level of personal mobility (as measured by the ownership of motor vehicles) compared with residents of non-metropolitan New South Wales. For example, 10.4% of households did not have access to a motor vehicle compared with only 7.3% in non-metropolitan New South Wales. Furthermore, MTA households were far more likely to have one vehicle (54.9% versus 36.7%) and far less likely to have two vehicles (22.8% versus 35.9%) than were non-metropolitan New South Wales households.

In our opinion, the lower level of the vehicle ownership in the MTA underlines the need for adequate local convenience retail services which lie within walking distance for as many residents as possible.

### 3.1.7 Summary

The demography of the MTA indicates that, as a whole, residents are likely to have below-average retail spending levels compared with residents of non-metropolitan New South Wales. The older age structure of the MTA population, some 57% not in the workforce, and the below-average levels of car ownership all point undeniably to a relatively strong demand for local retail services of a convenience nature: that is, services which do not involve residents having to travel to larger, more distant shopping centres to purchase basic food and household grocery items.

In this context, the proposal to significantly improve local convenience store facilities—as will occur if the proposed development is approved—is highly consistent with meeting the needs of the resident population. Consequently, if approved the development will provide a significant social benefit to members of the local community.

**TABLE 2.1**  
**SELECTED KEY DEMOGRAPHIC ATTRIBUTES of TWEED HEADS SOUTH TRADE AREA**  
**POPULATION and COMPARATIVE DATA for NON-METROPOLITAN NSW, 2011 (% Population)**

Variable ...	PTA	STA East	STA South	Total Trade Area	Non-Metropolitan NSW
Population Count, 2011 (No. Persons)	1,577	1,286	1,059	3,922	1,757,365
<b>Age Structure</b>					
0-9 years	8.4	14.3	6.8	9.9	12.9
10-19	7.1	13.2	7.1	9.1	13.6
20-29	7.1	10.8	5.3	7.8	10.2
30-39	7.5	10.8	7.8	8.6	11.0
40-49	8.7	12.0	8.4	9.7	13.4
50-59	12.1	10.2	10.4	11.0	14.2
60+	49.1	28.7	54.2	43.9	24.7
Total	100.0	100.0	100.0	100.0	100.0
<b>Household Structure</b>					
Couples & Children	11.8	18.9	12.6	14.2	25.5
Couples Only	33.8	23.4	43.1	33.3	28.1
One Parent Family	10.6	19.5	6.3	12.0	11.3
Other Family	0.0	1.7	1.4	0.9	0.9
Total Family	56.2	63.5	63.4	60.4	65.8
<b>Non-Family Households</b>					
Lone Person	40.5	32.2	34.4	36.3	29.2
Group	3.3	4.3	2.2	3.3	5.0
Total Non-Family	43.8	36.5	36.6	39.6	34.2
Total Households	100.0	100.0	100.0	100.0	100.0
<b>Average Household Size (persons/dwelling)</b>					
	1.94	2.34	2.02	2.08	2.43
<b>Occupational Structure</b>					
Managers	13.4	7.5	10.9	10.5	14.8
Professionals	8.6	11.5	10.9	10.3	15.9
Technicians & Trade Workers	13.8	16.0	16.7	15.4	14.9
Community & Personal Service Workers	14.1	15.7	9.5	13.4	10.7
Clerical & Administrative Workers	11.3	7.5	14.0	10.6	12.5
Sales Workers	10.1	18.0	16.0	14.8	9.6
Machinery Operators & Drivers	9.8	5.3	10.2	8.2	7.8



**TABLE 2.1**  
**SELECTED KEY DEMOGRAPHIC ATTRIBUTES of TWEED HEADS SOUTH TRADE AREA**  
**POPULATION and COMPARATIVE DATA for NON-METROPOLITAN NSW, 2011 (% Population)**

Variable ...	PTA	STA East	STA South	Total Trade Area	Non-Metropolitan NSW
Labourers	15.6	16.0	11.8	14.7	12.1
Inadequately Described/Not Stated	3.3	2.5	0.0	2.1	1.7
Total	100.0	100.0	100.0	100.0	100.0
Unemployment Rate	12.4	11.6	7.1	10.7	6.1
Motor Vehicles per Dwelling					
No Vehicle	12.0	11.9	6.0	10.4	7.3
One Vehicle	56.7	51.0	56.7	54.9	36.7
Two Vehicles	19.9	23.4	26.8	22.8	35.9
Three Vehicles	3.7	5.3	3.4	4.1	11.2
Four Vehicles	2.7	1.9	2.2	2.3	5.3
Annual Household Income (\$ Per Annum)					
Nil/Negative	0.9	1.9	0.7	1.1	1.3
\$0-\$7,799	3.0	3.0	1.3	2.5	2.0
\$7,800-\$12,999	7.1	4.1	4.6	5.5	3.9
\$13,000-\$18,199	15.0	13.2	9.9	13.0	9.8
\$18,200-\$25,999	28.0	19.1	28.4	25.5	14.3
\$26,000-\$33,799	14.2	13.9	14.9	14.3	12.0
\$33,800-\$41,599	11.9	10.9	13.2	12.0	10.2
\$41,600-\$51,999	5.9	9.4	3.9	6.4	9.1
\$52,000-\$62,399	3.9	10.0	6.8	6.6	7.9
\$62,400-\$72,799	4.7	8.3	7.0	6.4	11.1
\$72,800-\$88,399	2.4	3.0	4.2	3.1	7.1
\$88,400-\$103,999	1.5	1.9	2.4	1.9	5.3
\$104,000-\$129,999	0.5	0.0	1.8	0.7	3.1
\$130,000-\$155,999	0.5	0.0	0.0	0.2	1.2
Above \$156,000	0.5	1.3	0.9	0.8	1.7
Total	100.0	100.0	100.0	100.0	100.0
Average Household Income (\$2011)	\$40,074	\$47,708	\$48,359	\$44,709	\$63,552

Source: ABS Census, 2011.

# 4

## NEEDS ANALYSIS

### 4.1 Population Growth

We understand there is some significant potential for additional population growth in the MTA. The Tweed Urban Employment Land Release Strategy 2009 identified the potential for an additional 2,500 residents to settle in the Tweed Heads South/Banora Point area between 2009-31.

While not all of this potential additional population would be accommodated on land within the MTA, there remains significant capacity for additional housing development—for example, on land on the western side of Fraser Drive opposite Pioneer Country.

Similarly, there is also potential for additional tourist accommodation to be developed on land immediately to the south-east of the subject site fronting the alignment of the future extension of Kirkwood Road.

While development of these sites has the potential to increase the MTA's population, their development has not been assumed in preparing the population projection adopted in this Report. The reason being that these sites do not, as yet, have planning approval. Consequently, the population projection adopted in this Report (and, by extension, the retail expenditure projections) should be regarded as being conservative in nature.

TABLE 4.1 sets out our estimates of likely population growth in the MTA between 2011-21. In summary, modest population growth is projected to occur during this time-frame with the MTA population increasing

from 3,917 persons in 2011 to an estimated 4,195 persons by 2021—growth of approximately +278 persons.

**TABLE 4.1**  
POPULATION PROJECTION – TWEED HEADS SOUTH TRADE AREA,  
2011-21

Period ...	PTA	STA East	STA South	Main Trade Area
2011	1,571	1,286	1,060	3,917
2013	1,585	1,290	1,060	3,935
2016	1,650	1,300	1,065	4,015
2021	1,800	1,325	1,070	4,195
Increase 2011-21	229	39	10	278
Change 2013-21	215	35	10	260

Source: Leyshon Consulting Estimates, August, 2014

## 4.2 Available Retail Spending

Estimates have been prepared of total available retail spending generated in the MTA by residents taking into account data from the following sources:

- ▶ 2011 Census data on average household income
- ▶ 2009-10 Household Expenditure Survey (ABS)
- ▶ Retail Sales, Australia (ABS)
- ▶ data on average weekly earnings 2011-13 (ABS).

We estimate that average annual household expenditure (\$2013) on retail goods and services in the MTA in 2013 was as follows:

- ▶ PTA ... \$8,954
- ▶ STA East ... \$8,364
- ▶ STA South ... \$9,264.

Estimated total available retail spending by major category for the MTA for the years 2013, 2016 and 2021 at constant prices (\$2013) is set out in APPENDIX A, TABLES A1 to A3 inclusive.

As indicated in TABLE A1 (APPENDIX A), MTA total available retail spending in 2013 is estimated at some \$34.8 million per annum (\$2013) distributed as follows:

- ▶ PTA ... \$14.2 million per annum
- ▶ STA East ... \$10.8
- ▶ STA South ... \$9.8.

As can also be noted from TABLES A1 to A3 there is likely to be modest growth in annual retail spending in the MTA of approximately +\$5.4 million during the period 2013-21.

Estimates also have been prepared of total available supermarket spending. The volume of available supermarket spending is directly relevant to the proposed provision of a small supermarket on the subject site. As detailed in TABLES A1 to A3, between 2013-21 total available annual supermarket spending (\$2013) generated in the MTA is estimated to grow as follows:

- ▶ 2013 ...\$11.1 million
- ▶ 2016 ...\$11.7
- ▶ 2021 ...\$12.9.

The net increase in estimated annual available supermarket spending in the MTA between 2013-21 is +\$1.8 million (\$2013).

## 4.3 Supermarket Floorspace Demand

The estimates of available supermarket spending discussed above can be converted into broad estimates of the demand for supermarket floorspace in the MTA.

As indicated in TABLE 4.2, in 2013 available supermarket expenditure generated by MTA residents could, in theory, support about 1,114m<sup>2</sup> to 1,392m<sup>2</sup> of supermarket floorspace in 2013 increasing to 1,171m<sup>2</sup> to 1,464m<sup>2</sup> by 2016 and 1,286m<sup>2</sup> to 1,607m<sup>2</sup> by 2031.

**TABLE 4.2**  
ESTIMATED DEMAND for SUPERMARKET FLOORSPACE – TWEED  
HEADS SOUTH TRADE AREA, 2013-21 (\$2013)

Factor ...	PTA	STA North	STA South	Total
Available Spending (\$ Mil. p.a.)				
2013	\$4.5	\$3.5	\$3.1	\$11.1
2016	\$4.9	\$3.6	\$3.3	\$11.8
2021	\$5.6	\$3.8	\$3.4	\$12.8
Supermarket Floorspace Demand – Low <sup>1</sup> (Sq.M.)				
2013	454	345	314	1,113
2016	487	358	325	1,170
2021	559	384	343	1,286
Supermarket Floorspace Demand – High <sup>2</sup> (Sq.M.)				
2013	568	432	393	1,393
2016	609	448	407	1,464
2021	698	480	429	1,607

Notes:

1. Based on assumed sales rate of \$10,000 per annum.
2. Based on assumed sales rate of \$8,000 per annum.

Source: Leyshon Consulting Estimates, August 2010.

It should be noted that these estimates of supermarket floorspace demand do not take account of spending which will "escape" from the

MTA and be directed to supermarkets in existing shopping centres in surrounding area. The estimates also exclude spending which will be generated guests of the proposed adjacent tourist facilities who reside outside the MTA but choose to shop at the proposed general store during their visit.

Even if a conservative view of these demand estimates is adopted—for instance, that 50% of available supermarket spending and, hence, floorspace demand, was to "escape" from the MTA, significant potential demand for supermarket floorspace in the MTA would still exist—in the order of +585m<sup>2</sup> to +732m<sup>2</sup> by 2016.

It is also clear there is a current under-supply of supermarket floorspace in the MTA. As noted above, at present the only supermarket-type floorspace provided within the MTA is a small convenience store of about 160m<sup>2</sup> located immediately to the east of the subject site.

If the proposed development of a general store of 460m<sup>2</sup> were to be approved, the total potential 'supermarket-type' (including general store) floorspace supply in the MTA by 2016 would be approximately 620m<sup>2</sup>. Thus, total floorspace supply would sit comfortably within the estimate of supermarket floorspace demand of 585m<sup>2</sup> to 732m<sup>2</sup> by 2016, as set out above.

Given the above, in our opinion, it is reasonable to conclude there is sufficient expenditure available in the MTA to support development of the proposed general store on the subject site as well as the existing convenience store on the adjoining site.

# 5

## ECONOMIC IMPACT

### 5.1 Introduction

The purpose of this section the Report is to examine the potential economic impact of the proposed development of a small general store on the subject site may have on existing and proposed retail facilities in and adjacent to the trade area.

It is a well-established legal principle in Australia in general, and New South Wales in particular, that certain economic impacts can be relevant town planning issues. This is particularly so in circumstances where impacts which result in the loss of retail (or other) facilities currently enjoyed by the public and are not made good by the proposed development which gives rise to the impact. It is also well-established that "competition" per se is not a relevant town planning issue.

As discussed below, it is our conclusion that the proposed development at Tweed Heads South will not have any significant effect on existing shopping centres in the surrounding area. Its effect on the small convenience store in the Palms Village is likely to be significant although, in our opinion, this will not be sufficient to warrant refusal of the application on economic impact grounds alone.

### 5.2 Estimated Sales

The potential sales of a small general store of 460m<sup>2</sup>—as is being proposed—obviously will be limited by the restricted amount of floorspace involved.

Based on our knowledge of industry performance measures, we estimate that the sales of the proposed general store could range between \$3.4 million to \$4.1 million per annum in 2016 (\$2013).

Not all of these sales would be derived from spending generated in the MTA, however. All supermarkets or general stores derive a small proportion of their sales from so-called passing trade: in this instance, by motorists using Dry Dock Road/ Fraser Drive as a preferred method of travel through the Tweed Heads South area.

In addition, as noted above, it is likely a significant proportion of sales at the proposed general store will originate from spending by patrons of the proposed hotel on the subject site.

In this instance, we consider that up to 30% of proposed general store's sales could be derived from spending by shoppers who reside outside the MTA. This would mean sales originating from the MTA would be in the order of \$2.4 to \$2.9 million per annum in 2016 (\$2013)

On this basis, the proposed general store is likely to capture between only 20.5% to 24.5% of available supermarket spending in the MTA in 2016—namely \$11.7 million per annum. In practice this means the majority (about 75% to 80%) of available supermarket spending generated by MTA residents will continue to flow to other supermarkets/convenience stores within and adjacent to the MTA.

## 5.3 Impact on Centres

We have prepared estimates of the likely impact of the proposed general store on existing major shopping centres surrounding the MTA—namely the Banora Shopping Village, Banora Central and Tweed



City. This analysis assumes that 2016 is the first full year of trading for the proposed general store.

As can be noted from TABLE 5.1, the impacts in 2016 are estimated as being likely to range between -0.3% and -3.2%. The largest impact is likely to be experienced by the Banora Central supermarket given its proximity to the trade area and hence its greater convenience for supermarket shopping compared to Tweed City and the more distant Banora Shopping Village.

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**TABLE 5.1**  
ESTIMATED IMPACT of PROPOSED SUPERMARKET – TWEED HEADS SOUTH DEVELOPMENT (\$2013)

Centre ...	Estimated Sales, 2013	Estimated Sales, 2016 (Pre-Development)	Estimated Sales, 2016 (Post-Development)	\$ Mil. Change, 2016 (Pre- and Post-Development)	% Change, 2016 (Pre- and Post-Development)
Banora Central	\$39.0	\$41.0	\$29.7	(\$1.3)	(3.2)%
Banora Shopping Village	\$32.0	\$33.5	\$32.9	(\$0.6)	(1.8)%
Tweed City/Aldi	\$275.0	\$285.0	\$284.2	(\$0.8)	(0.3)%
Other Centres/Stores	n.a.	n.a.	n.a.	(\$1.1)	n.a.

Source: Leyshon Consulting Estimates, August, 2014.

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The projected impacts are not significant in nature. It is generally accepted within Australia that impacts of less than -5.0% fall into the very low impact category and as such will not threaten the viability of any shopping centre or the major traders they contain.

As indicated in TABLE 5.1, in 2016 an estimated impact of -\$1.1 million is likely to be experienced by other centres/stores. Included within this group is the impact on the adjacent convenience store in the Palms Village.

In our opinion it is impossible to say with any degree of accuracy what the likely impact on the Palms Village convenience store will be. Primarily this is because the likely sales of the convenience store in 2016 cannot be predicted with any degree of accuracy. The reasons for this are that first, there is no available public data on the performance of such small stores and, second, the performance of these types of stores varies substantially according to their individual circumstances.

In the worst case, the proposed general store could wipe out entirely the sales of the existing convenience store. This is highly unlikely, however, as the store would almost certainly retain some shoppers either through loyalty and/or because shoppers simply find the store to be more convenient (for example, within walking distance).

Even if the existing convenience store were to close as a result of competition from the proposed general store it is our opinion residents of the MTA would remain better off. The primary reason for this being that the proposed general store is likely to carry a much wider range of stock than does the existing convenience store and may well offer more competitive prices.

In summary, in the worst case, the loss of the existing convenience store would be more than offset by the development of a new general store as is being proposed.

# 6

## POLICY IMPLICATIONS

The proposed development of a general store on the subject site does not raise conflicts with the Tweed Shire Retail Strategy as discussed in Section 2.3 of this Report.

Given the very low impacts of the proposed development, it will not effect the character of existing towns and villages nor will it pose a threat to the major Tweed Heads South Centre.

While the proposal does not involve the incremental expansion of an existing retail centre (as encouraged by Principle 2 in the Retail Strategy) it will provide improved basic convenience retail services in an area where no new centre is proposed.

# 7

## CONCLUSIONS

We consider the analysis set out in this Report enables the following conclusions to be drawn regarding the proposed development namely:

- ▶ the proposed general store will provide improved convenience retail services to residents of the local surrounding area, tourists and patrons of the on-site tourist/entertainment facilities;
- ▶ the population residing in the MTA is currently under-serviced as far as 'supermarket-type' facilities are concerned;
- ▶ the resident population of the MTA exhibits an older age profile, lower levels of mobility (as measured by car ownership) and low income levels. As such residents would significantly benefit from an improvement in local convenience retail services;
- ▶ there is sufficient demand in the MTA to support both the proposed general store and the existing convenience store in the adjacent Palms Village;
- ▶ the impacts of the proposed development on existing centres outside the MTA will be in the very low category of impact and thus will not pose any threat to the viability of these centres;
- ▶ even if as a result of competition from the proposed development the existing convenience store in the adjacent Palms Village development were to cease trading (an outcome considered most unlikely), residents of the MTA would be

substantially better off in terms of their access to basic supermarket-type facilities; and

- ▶ the proposed development is consistent with the objectives of the Tweed Shire Retail Strategy as it will not pose a threat to any existing retail centre while improving basic retail facilities in an area where no centre is planned.

Accordingly we conclude the proposed development has acceptable and positive economic and social effects for the locality surrounding the subject site.



# **APPENDIX A**

Table A1

## 2013 Projected Retail Spend - Banora Trade Area

	PTA	STA EAST	STA SOUTH	TOTAL TRADE AREA
Population	1,585	1,290	1,060	3,935
Average Spending (\$2013)	8,954	8,364	9,264	8,844
Total Retail Spend (\$m) (\$2013)	14.2	10.8	9.8	34.8
<b>Spending by Category</b>				
Food/Groceries	4.5	3.3	2.9	10.7
Food Out	1.4	1.1	1.1	3.6
Alcohol (Off Licence)	0.5	0.4	0.4	1.3
Tobacco	0.6	0.4	0.4	1.3
Clothing & Accessories	1.3	1.0	0.9	3.2
Household Furnishings & Equipment	2.0	1.5	1.4	4.9
Household Non Durables	0.5	0.4	0.3	1.3
Medical/Pharmacy	0.4	0.3	0.3	1.0
Vehicle Accessories	0.3	0.2	0.2	0.7
Recreation	1.8	1.3	1.2	4.3
Personal Care	0.6	0.5	0.4	1.5
Miscellaneous Goods & Services	0.4	0.3	0.3	0.9
Total Retail Spend	14.2	10.8	9.8	34.8
Supermarket	4.5	3.5	3.1	11.1

TABLE A2

## 2016 Projected Retail Spend - Banora Trade Area

	PTA	STA EAST	STA SOUTH	TOTAL TRADE AREA
Population	1,650	1,300	1,065	4,015
Average Spending (\$2013)	9,226	8,617	9,545	9,113
Total Retail Spend (\$m) (\$2013)	15.2	11.2	10.2	36.6
<b>Spending by Category</b>				
Food/Groceries	4.8	3.4	3.0	11.3
Food Out	1.5	1.2	1.1	3.8
Alcohol (Off Licence)	0.6	0.4	0.4	1.4
Tobacco	0.6	0.4	0.4	1.4
Clothing & Accessories	1.3	1.0	1.0	3.4
Household Furnishings & Equipment	2.1	1.6	1.5	5.2
Household Non Durables	0.6	0.4	0.4	1.3
Medical/Pharmacy	0.5	0.3	0.3	1.1
Vehicle Accessories	0.3	0.2	0.2	0.7
Recreation	1.9	1.4	1.3	4.6
Personal Care	0.6	0.5	0.4	1.5
Miscellaneous Goods & Services	0.4	0.3	0.3	1.0
Total Retail Spend	15.2	11.2	10.2	36.6
Supermarket	4.9	3.6	3.3	11.7

TABLE A3

## 2021 Projected Retail Spend - Banora Trade Area

	PTA	STA EAST	STA SOUTH	TOTAL TRADE AREA
Population	1,800	1,325	1,070	4,195
Average Spending (\$2013)	9,696	9,057	10,032	9,580
Total Retail Spend (\$m) (\$2013)	17.5	12.0	10.7	40.2
<b><i>Spending by Category</i></b>				
Food/Groceries	5.5	3.7	3.2	12.4
Food Out	1.7	1.3	1.2	4.2
Alcohol (Off Licence)	0.6	0.5	0.4	1.5
Tobacco	0.7	0.5	0.4	1.6
Clothing & Accessories	1.5	1.1	1.0	3.7
Household Furnishings & Equipment	2.4	1.7	1.5	5.7
Household Non Durables	0.7	0.4	0.4	1.5
Medical/Pharmacy	0.5	0.4	0.3	1.2
Vehicle Accessories	0.3	0.2	0.2	0.8
Recreation	2.2	1.5	1.3	5.0
Personal Care	0.7	0.5	0.5	1.7
Miscellaneous Goods & Services	0.5	0.3	0.3	1.0
Total Retail Spend	17.5	12.0	10.7	40.2
Supermarket	5.6	3.8	3.4	12.9